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FEDERAL COMMUNICATIONS COMMISSION
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Before the
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20054

In the Matter of

Revision of Part 22 and Part 90 of the
Commission's Rules to Facilitate Future
Development of Paging Systems

Implementation of Section 309(j)
of the Communications Act--
Competitive Bidding

WT Docket No. 96-18

PP Docket No. 93-253

To: The Commission

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Comments on Geographic Licensing NPRM and Competitive Bidding

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March 15, 1996

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Comments on Geographic Licensing NPRM and Competitive Bidding

The Federal Communications Commission wishes to implement geographic licensing of paging service in lieu of the current single station licensing procedures. Implementation of geographic licensing for paging service can be beneficial to both the Commission and to the existing and future Carriers, or, it could cause huge problems for existing and future Carriers depending on how it is implemented.

The "typical" company providing paging service has significantly changed since the introduction of the 900 MHz one-way paging frequencies in the early 1980's. It used to be that a pager and paging service was sold within each market by locally owned and operated small to medium sized companies providing coverage for a given metropolitan area or small city. Today, however, 95% of the pagers sold are not sold directly sold by the Carrier but rather are sold by a retailer or reseller and the paging service is provided by a handful of large out-of-state carriers that have built huge paging networks.

The emergence of huge paging networks within the last decade operated by large paging carriers, which has necessitated the need for this NPRM, has generally been good for the consumer who can now get the

wide-area coverage needed by today's mobile population. However, small carriers are still needed to provide service that would otherwise not be met by the large carriers and the Commission must continue to take into account the small carriers that founded this industry a few decades ago.

Overview

The NPRM appears to address the needs of the Commission (i.e., reduced licensing burden) and the large carriers (i.e., large geographic licensing) but it does not seem to address the needs of the thousands of small carriers that founded this industry and struggle to compete with their small customer base in niche markets.

The Commission must not let the small carriers be crushed by the deep financial pockets of the large carriers by allowing auctions on existing channels currently in use within a licensed geographic area. Should the Commission wish to continue with its geographic license proposal, it should not auction, but rather automatically convert incumbent users within established geographic areas to geographic licenses.

Defining the Service Areas

The use of the Rand McNally MTAs as suggested in the NPRM is simply too broad to even be considered by the Commission. If the Commission wishes to ease its overall regulatory burden by implementing geographic licensing then its staff should spend some time developing reasonable geographic boundaries, larger in metropolitan areas where larger systems are typical and smaller in rural areas where a carrier may provide service on a single transmitter system, and present these areas for comment.

Treatment of Incumbents

Then after reasonable geographic boundaries have been established the incumbent that currently uses the frequency within that geographic area should automatically receive the geographic license for that geographic area and not be made to have to purchase it at an auction. Carriers already licensed must have preference and should never be precluded from having use of their own frequency within their own geographic area simply because some other company with plenty of money can buy the frequency at auction.

Coverage Requirements

A coverage requirement is a good idea for geographic licensing to prevent a large geographic area from being "warehoused" with a small system. Coverage requirements should also apply to an incumbent given his existing frequency throughout a reasonable size geographic area as a condition of the benefits of his new geographic license.

Auctioning of Paging Services

ACE Communications is less concerned about the method by which any auction is done but rather under what circumstances an auction should be done.

Auctioning of paging channels must not be done on existing channels held by incumbent license holders but, if implemented, should only be done for unused channels within a geographic area as an application is made for use of the channel in that geographic area.

Conclusion

Geographic licensing can be beneficial to both the Commission and to the Carrier. The benefit to the Commission is easy to see with its

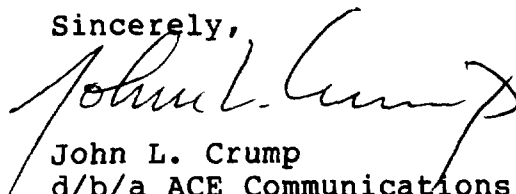
decreased licensing/regulatory burden.

However, for geographic licensing to be implemented properly, it must also be beneficial to the Carrier. The Commission must safeguard each licensed incumbent in the geographic areas created and not allow an "outsider" with deep financial pockets to take over an incumbent's geographic area by allowing auctions on channels already in use.

If this were to happen, no public benefit would be gained by this geographic licensing proposal by the Carrier and, in fact, a bad re-write of the Rules could cause more harm than good to many Carriers.

If you have any questions, please feel free to contact me by calling 703-758-2552.

Sincerely,

A handwritten signature in cursive script, appearing to read "John L. Crump".

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